

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF APRIL 2006

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April 3, 2006

SUBJECT: Responsibilities of Government Travel Charge Card Holders

TO: Rural Development Employees

Recently, I received a briefing from the Department's Chief Financial Officer on an increase in the number of delinquent Rural Development employee travel charge card accounts. While a majority of Rural Development cardholders manage their accounts responsibly, our current delinquency rate is twice as high as what the Department has set as an acceptable rate. For this reason, I want to remind travelers of their obligations as cardholders.

USDA Zero Tolerance Policy:

Most Rural Development employees who travel at least twice a year on official business are required to use the Government travel card issued by the Bank of America (BOA) to pay for authorized travel expenses. All employees issued a travel charge card are required to sign a cardholder agreement, which includes the USDA Zero Tolerance Policy, stating that they understand their responsibilities as cardholders.

Noncompliance with the rules governing travel charge card use falls into two categories:

- Delinquency – Not paying the undisputed outstanding balance on the BOA account when it is due.
- Misuse and/or abuse – Incurring charges on the travel charge card for personal or other unauthorized purposes.

Delinquency:

As a traveler, you are required to pay the entire undisputed outstanding balance on each BOA monthly billing by the due date on the statement. Filing a travel voucher as required within 5 working days of travel completion, or every 30 days while on extended travel, will usually ensure reimbursement of travel expenses in time to meet the BOA payment deadline. Even if you have not received reimbursement by the due date, however, you still must pay the statement balance. If you believe that a charge has been billed in error, you should notify BOA immediately to dispute the amount so it can be set aside for investigation, and then pay the remaining, undisputed portion of the bill. Failure to pay the disputed amount without properly notifying BOA, or to pay the entire undisputed portion of the bill, will result in the account becoming past due.

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

Depending on the number of days a bill is past due, and the number of times the account has been delinquent, BOA may institute a number of actions ranging from suspension of the account to its cancellation. Once an account is cancelled, the agency may request that it be reinstated but the final decision is BOA's. Employees who no longer have travel charge card accounts may be able to perform occasional travel using a centrally-billed account to charge common carrier transportation expenses (airfare, train ticket, etc.), but must pay all other expenses using a personal charge card, personal funds, or by obtaining a cash advance. In cases of unpaid balances over 60 days past due, USDA is authorized to begin salary offset at BOA's request, deducting up to 15 percent of the employee's disposable salary until the full outstanding balance is paid. The National Finance Center will issue the salary offset.

Misuse/Abuse:

Using the travel card for any purpose other than the cardholder's legitimately-incurred official travel expenses is considered misuse and/or abuse. Legitimate expenses generally include common carrier transportation, local transportation (e.g., rental car, including gas), lodging, meals, and certain miscellaneous expenses. You may use the card to obtain a limited cash advance to cover expenses in instances when only cash is accepted. You may not use the card to pay for such things as conference registration or training supplies, even if they are in conjunction with an official trip. You may not use it to obtain equipment, supplies, or services, even if they are used to conduct official Government business; these must be procured by other authorized means. You may not use the travel charge card for any travel expenses other than your own, such as covering meal costs for coworkers on the same trip.

The most serious misuse and/or abuse of the travel card occurs when an employee uses it for personal expenses, unrelated to any Government business. Even if the employee pays the account from personal funds, this constitutes flagrant abuse, and will result in appropriate action being taken.

Monthly Reports:

Every month, the Office of the Chief Financial Officer provides Rural Development with the names of employees whose accounts are delinquent and those who possibly misused and/or abused their card. We follow up with each employee's office to ascertain the facts of the case and to ensure that local managers initiate appropriate action. Misuse and/or abuse or repeated delinquency constitutes violation of the USDA Zero Tolerance Policy and subjects an employee to disciplinary action in accordance with the USDA Guide for Disciplinary Penalties, contained in RD Instruction 2045-GG, "Disciplinary and Adverse Actions - Performance-Based Actions, and Probationary Terminations." Depending on the number and severity of offenses, penalties can range from a letter of reprimand to removal from Federal service.

Eliminating travel card delinquencies is a priority for Congress, the Office of Management and Budget, USDA, Rural Development, and is a financial management goal in the President's Management Agenda. We are paying close attention to travel card delinquencies, misuse and/or abuse in Rural Development. I take this challenge seriously and count on your cooperation to help meet it.

Please refer to the following documents and websites for more detailed travel charge card guidance: Departmental Regulation 2300-001, "Government Travel Card Regulation," at <http://www.ocio.usda.gov/directives/files/dr/DR2300-001.htm>; BOA Travel Card Agreement at <http://199.128.84.121/rd/ssd/acknowledgeform.pdf>; and BOA Government Travel Charge Card Do's and Don'ts at <http://199.128.84.121/rd/ssd/doanddont.pdf>.

If you have any travel-related questions or any problems with your BOA travel charge card account, please do not hesitate to contact the Rural Development Travel Unit staff:

Irene Wofford, (202) 692-0030, Veronica Carroll, (202) 692-0229, or Tony Pearson, (202) 692-0227. You may also e-mail the Travel Unit mailbox at: ssd.travel@wdc.usda.gov.

(Signed by Thomas C. Dorr)

THOMAS C. DORR
Under Secretary
Rural Development

Sent by electronic mail on 04/10/06 at 11:18 a.m. by the Support Services Division.

April 6, 2006

SUBJECT: Faith-Based and Community Initiatives Teleconference

TO: Rural Development State Directors

ATTN: Faith-Based and Community Initiatives Coordinators and Alternates
Administrative Program Directors

A teleconference has been scheduled for Tuesday, June 13, 2006, from 3:00PM to 4:30PM EDT. We will be discussing the Faith-Based and Community Initiatives (FBCI), including reporting, public outreach, the Equal Treatment Rule (7CFR Part 16), and any questions that State FBCI Coordinators/Alternates forward for discussion. In addition to those addressed, Program Directors for the Housing and Community Facilities Programs, the Utilities Programs and Public Information Coordinators/Public Affairs Specialist may wish to participate. We have reserved 60 lines so please try to keep your state to one line. The bridge numbers for the teleconference are (800) 867-6144 for field staff or, (202) 554-1742 for National Office staff, PIN: 7297# for both numbers.

If you would like specific information covered regarding the FBCI data collection, reports, public outreach, or have questions that you would like addressed, please email them to Rhonda Brown, Rural Development FBCI Coordinator at: rhonda.brown@wdc.usda.gov, by June 6, 2006.

EXPIRATION DATE:
June 30, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

We plan to hold a FBCI teleconference quarterly. We are looking forward to having an opportunity to communicate as a group. Please feel free to contact Ms. Brown at (202) 692-0298, or via e-mail if you have any questions.

(Signed by Thomas E. Hannah) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on April 11, 2006 at 7:25AM by the Office of the Deputy Administrator for Operations and Management. The State Director should advise other Personnel as appropriate.

April 6, 2006

SUBJECT: Human Resources Management Competency Assessment

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

The Office of Personnel Management (OPM) has mandated that a government-wide competency analysis be conducted within the Human Resources Management series to determine competency gaps. The purpose of this initiative is to improve skills within the 201 series. Once gaps have been identified, a determination will be made how these gaps can be eliminated, i.e., training, mentoring, shadowing, etc.

All employees in the 201 series are expected to complete the competency assessment. The highest-level supervisor in the direct report line for the 201 series should register for the assessment first; this will be the direct-line supervisor for the Human Resources Manager, even when they are in a series other than 201. This will involve providing the supervisor's email address, which will serve as the linkage for the direct report's response to be associated with that supervisor. A competency assessment can be completed by logging on to <https://hclmsa.plateau.com/hclmsa/learner/login.jsp>. All assessments are to be completed by **April 21, 2006**.

Direct reports, when registering for their assessments, will be prompted to verify if the individual named as supervisor is that employee's supervisor. If the answer is yes, the employee can begin the assessment. Supervisors will receive email notification of their employees who have completed the assessments, signaling an opportunity to talk with the employee to get more input and begin rating employees. They may also use this information to remind others, whose names were not listed as having completed the assessment, to complete their self-assessments.

The employee may want to submit comments to provide the supervisor with information supporting the rating the employee gave. This will be especially useful when the supervisor is unaware of the knowledge and experience level of the employee. The supervisor will be able to read the employee's rating, and will be able to take into consideration the supporting documentation.

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

OPM will provide the Office of Human Capital Management (OHCM), at the Department of Agriculture, the populated data in a tally sheet representing Targeted Competencies using aggregated scores for the Baseline. OHCM will then send the information to Rural Development to examine the data and determine the gaps for each competency by proficiency level.

Please note that once the supervisor completes the registration (and ideally the self-assessment), the sooner the direct reports can begin their self-assessments. Supervisors should notify direct reports when they can begin that task. The sooner direct reports complete their assessments, the more time supervisors will have to complete their assessments of the direct reports. There is a job aid available for supervisors at <https://hclmsa.plateau.com/hclmsa/learner/JobAidforSUPERVISOR.pdf>, and for employees at <https://hclmsa.plateau.com/hclmsa/learner/JobAidforEMPLOYEE.pdf>

If you have any questions, please call Norma Valdes at (202) 692-0198 or by e-mail at norma.valdes@wdc.usda.gov.

(Signed by Thomas E. Hannah) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on April 10, 2006 at 7:15am by Human Resources. State Directors should advise other personnel as appropriate

April 10, 2006

TO: State Director
Rural Development

ATTENTION: Multi-Family Housing Program Directors and Coordinators

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Processing Section 515 New Construction Loan Requests
Fiscal Year 2006

The purpose of this Unnumbered Letter (UL) is to provide information and guidance on the procedures for processing Section 515 new construction loan requests, in accordance with 7 CFR 3560, and the "Notice of Funds Availability for the Section 515 Rural Rental Housing Program for Fiscal Year (FY) 2006" Notice of Funds Availability (NOFA), that was published in the Federal Register on March 20, 2006.

Complete initial loan requests received by the below given deadline will be reviewed and scored based upon the factors listed in Section 3560.56. Information is provided in more detail in the Loan Origination Handbook (HB-1-3560), which is one of three companion Handbooks to 7 CFR 3560. HB-1-3560 is designed to provide multi-family housing staff with the guidance needed to originate loans efficiently and effectively.

PROCESSING TIMEFRAMES:

May 19, 2006: Final date for receipt of applications (COB, local time).

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Housing Programs

May 26, 2006: Deadline for States to submit preliminary report of applications received, using the NOFA Applications Summary Sheet (Attachment 1). At a minimum, list the applicant's name, number of units, number of rental assistance (RA) units requested, eligibility for Set-Asides, and Section 515 loan amount requested. If no applications were received, please indicate so on the report. (Fax to 202-690-3444 or e-mail to barbara.chism@wdc.usda.gov.)

June 26, 2006: Deadline for States to submit the final list of scored and ranked applications meeting the preliminary eligibility and feasibility requirements, in accordance with 3560.56(c)(1), to the National Office. Attachment 1 must be updated to include both the ranking number and point score. For point score ties, establish the ranking number in accordance with 3560.56(c)(2) and Chapter 4.13.C of HB-1-3560. The Application Review Checklist and Point Score Sheet (Attachment 2), and the Calculation of Leveraged Assistance Worksheet (Attachments 3) must be submitted at this time. Applications that are eligible for more than one funding category should be listed in all eligible categories. In a separate section or on a separate page, list (but do not score or rank) incomplete applications or those that were determined not eligible or feasible, and annotate accordingly. (Fax to 202-690-3444 or e-mail to barbara.chism@wdc.usda.gov.)

The National Office will rank applications nationwide and advise States of the results as soon as possible following the June 26, 2006 deadline.

August 25, 2006: Pooling date for Section 515 funds and deadline for receipt of final applications.

September 22, 2006: Deadline for obligating funds or obtaining National Office approval of extension.

Applications may be submitted for regular Section 515 funds; the Nonprofit Set-Aside; the Underserved Counties and Colonias Set-Aside; and the Empowerment Zone (EZ), Enterprise Community (EC) and Rural Economic Area Partnership (REAP) Earmark. Please indicate the Set-Aside and/or Earmark for which the applicant is eligible on Attachment 1.

Individual loan requests may not exceed \$1 million, including requests for the Set-Asides and Earmarks. The Administrator may make an exception to this limit in cases where a State's average total development costs exceed the National average by 50 percent or more. States may not set a lower limit than the \$1 million National limit.

States may receive a maximum combined total of \$2.5 million from regular Section 515 funds and set-aside funds. State RA reserve funds are not included in this cap.

LOAN SCORING FACTORS:

Loan requests will be scored based on the criteria listed in Chapter 4.13 of HB-1-3560. The optional State factor will not be used this year. Point scores will be determined using the following factors:

- Leveraged assistance. (0 to 20 points)
- High need communities. (20 points)
- Donated land. (5 points)
- National initiative*. (20 points)

* The agreement or Memorandum of Understanding must be in place by the close of the Notice of Funding Availability. Documentation must be submitted to the National Office for concurrence. Both conditions of the initiative must be met for an application to receive points for this factor, i.e., the agreement or MOU must be in place and the application must include the State resource in an amount equal to at least 5 percent of the total development cost.

LEVERAGED ASSISTANCE:

All leveraged assistance must meet the provisions of Section 3560.66, Participation with other funding or financing sources. Any contribution from the applicant *above his or her required contribution on the RHS loan*, including tax credit proceeds, is eligible for consideration for points as long as there is an equal or positive impact on basic rents. Contributions must meet the conditions of 3560.68(c). Please refer to Chapter 4.13.A, Scoring Leveraged Assistance, in HB-1-3560 for detailed guidance on eligibility for leveraged assistance.

DONATED LAND:

In accordance with 3560.56(c)(1)(iv), 5 points may be awarded for land that is donated by States, units of local Government, public bodies, and nonprofit organizations and meets the conditions listed therein. Please refer to Chapter 4.13.B.4 in HB-1-3560 for detailed guidance on eligibility and conditions under which priority points may be awarded for donated land.

RENTAL ASSISTANCE (RA):

The governing provisions for RA can be found at Section 3560.66(b), Participation with other funding or financing sources; Section 3560.254, Eligibility for rental assistance; Section 3560.255, Requesting rental assistance; and Section 3560.260, Rental subsidies from non-Agency sources. For FY 2006, RA will not be available from the National Office for use with section 515 Rural Rental Housing new construction loans. However, Section 515 loan funds in the amount of \$990,000 have been reserved for states with a viable State RA matching program. Unused RA may be allocated from within a State's existing allocation to approved new construction projects.

BORROWER CONTRIBUTION AND DETERMINING RETURN ON INVESTMENT; PROJECT FEASIBILITY:

Borrower contributions, including equity contributions above the required 3 or 5 percent of the Housing and Community Facilities Program loan, that meet the conditions of 3560.63(c) are potentially eligible to earn a Return on Investment (ROI). Borrower contributions must be from the borrower's own resources and cannot exceed the security value of the project, in accordance with 3560.68(b). However, meeting these conditions does not automatically entitle the borrower to an ROI. Paying an ROI on amounts above the required 3 or 5 percent contribution must also be considered in terms of project feasibility and the impact on basic rents and rental assistance. Please refer to Section 3 of Chapter 5, Determining Loan Limits, Rates, and Terms, in HB-1-3560 for detailed guidance.

RA may only be provided on units where the basic rent does not exceed rents with full Housing and Community Facilities Program financing. (If RA is being provided, and paying the ROI on the additional investment would cause basic rents and RA costs to exceed the amount of rent and RA cost if the project had received full Housing and Community Facilities Program financing, the ROI cannot be allowed.) (see 3560.66(b)(2)). The borrower may wish to provide additional funds without the ROI or to accept a reduced ROI, if feasible in terms of basic rents and RA. If RA is not being provided, the ROI must not cause basic rents to exceed rents for comparable units in the market.

PROJECT DESIGNATION AND BEDROOM MIX:

The preliminary review of loan requests must include a review of the market to determine if the loan request reflects the project type (family or elderly) of greatest proportionate need, and whether the proposed bedroom mix reflects the needs in the market area. At least 5 percent of the units (but not less than one unit) must be constructed as fully accessible units for persons with disabilities. When calculating how many accessible units are required, always round up to the next whole number. The variety of bedroom quantities of fully accessible units will be comparable to the variety of bedroom quantities of units that are not fully accessible. Refer to Chapter 4.18 B, Exhibits 4.10 and 4.11, and Attachment 4-F of HB-1-3560 for detailed guidance.

COMMUNITY ROOMS:

States are reminded to inform potential applicants that modest community rooms in Section 515 complexes are highly encouraged to provide a place for special activities and services that will aid residents in improving job skills or education, as well as to provide a space for resident and community meetings.

LIMITED ENGLISH PROFICIENCY (LEP):

Borrowers and grantees must take reasonable steps to ensure that a LEP person receive the language necessary to afford them meaningful access to Department of Agriculture (USDA) programs and activities, free of charge. Failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs or activities may violate the prohibition under Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d and Title VI regulations against national origin discrimination.

USDA has submitted its proposed LEP guidance to the Department of Justice (DOJ) for review and approval. Until such time as USDA's guidance document has been approved by DOJ and published in the Federal Register, recipients are encouraged to follow guidance that was published by DOJ on June 18, 2002, for recipients of Federal financial assistance (specifically for DOJ recipients). This guidance and additional information can be found at www.lep.gov.

NONPROFIT APPLICANTS:

An organization qualifies as a Nonprofit Organization when: (1) No part of its earnings benefits any of its members, founders, or contributors; (2) Does not have among its officers or directorate persons or parties with a material interest in loans financed under Section 515 that have been prepaid; and (3) Is approved by the Secretary as to financial responsibility.

The additional requirements for nonprofit organizations have been revised, in accordance with 3560.55(c). The nonprofit entity no longer is required to have at least one-third representatives of the low-income community and no more than one-third representatives from the public sector. This revision was inadvertently omitted from Exhibit 4-5, Applicant Eligibility Requirements, in HB-1-3560.

ADDITIONAL REQUIREMENTS FOR APPLICANTS WITH PRIOR DEBT:

An applicant with prior Agency debt includes the managing general partner of a borrower and any affiliated entity having a 10 percent or more ownership interest, in accordance with 3560.55(b). This revision was inadvertently omitted from Exhibit 4-5, Applicant Eligibility Requirements, in HB-1-3560.

EXHIBIT 4-2 OF HB-1-3560: ITEMS TO BE INCLUDED IN COVER LETTER TO THE INITIAL APPLICATION:

Exhibit 4-2 contains issues which the applicant must address in their initial application, and general guidance for the applicant. The Exhibit 4-2 should accompany the initial application packet that is given to the applicant by the State Office.

CONVENTIONAL RENTS FOR COMPARABLE UNITS (CRCU):

CRCU is a term describing a standard by which a benchmark is established to maintain the affordability of program units, and to avoid situations where project rents are in excess of established local market rents. In no case may basic rents exceed CRCU for a market area by more than 50 percent, however, the Agency may grant an exemption to CRCU for exceptional circumstances. Chapter 3.20, Conventional Rents for Comparable Units, of HB-1-3560 contains guidance regarding the CRCU standard.

LIFE CYCLE COST ANALYSIS (LCCA):

The Agency's policy on cost containment includes the use of LCCA analyses to determine whether a project's design and its components make sense economically. This may mean funding projects with higher initial costs if it will result in savings in long-term maintenance costs. The components normally include exterior wall finishes, roofing, paving, and energy consumption systems. Chapter 3.17.B, Evaluating Cost Effectiveness, of HB-1-3560 provides more information regarding LCCA.

LOAN SECURITY:

In addressing loan security, the Agency shall seek first or parity lien position on a property. A junior lien position is acceptable only if the Government's financial interests are adequately protected. Chapter 6.5.A, Security Agreements, and Chapter 7.6, Acceptable Lien Position, of HB-1-3560, provide guidance on loan security.

STATE DIRECTOR'S APPROVAL LIMIT:

The State Director's approval limit is \$3 million per project. The outstanding Rural Development loan balance of a single project, whether existing or proposed, may not exceed \$3 million. Prior approval from the National Office must be sought should the balance of a single project exceed \$3 million.

Questions regarding this letter may be directed to Ms. Barbara Chism, Senior Loan Specialist, Direct Loans, Multi-Family Housing Processing Division, (202) 690-1436.

Attachments

SECTION 515

NONPROFIT SET-ASIDE

[illegible]

STATE

RANK	SCORE	APPLICANT NAME/ PROJECT LOCATION	RACE/ ETHNIC CODE: 1=White 2 Black/AA 3=A/NH/PI 4=AI/AN 5=Hispanic/ L	HIGH NEED BY TYPE EZ/EC/ REAP, TRIBAL, COLONIA	TYPE FAM/ ELD/ CG	PROJ CONG DIST	ELIGIBLE TOTAL DEV COST (TDC)	SEC. 515 LOAN REQUESTED	LEVERAGED ASSISTANCE	% LEVER- AGING	NO. OF UNITS	NO. OF TAX CREDIT UNITS	NO. OF RA- UNITS
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UNDERSERVED COUNTIES AND COLONIAS SET-ASIDE

[illegible]

EZ/EC/REAP Zone SET-ASIDE

[illegible]

STATE RA RESERVE

[illegible]

GROUP HOME

[illegible]

CO-OP HOUSING

[illegible]

**SECTION 515 APPLICATION REVIEW CHECKLIST AND POINT SCORE SHEET
FY 2006**

Applicant information:

Applicant Name: _____ Date and time received: _____
 Project Name: _____ Applicant type: _____
 City: _____ County: _____ Number of units: _____ RA units _____
 Congressional District: _____

Application threshold requirements: Application meets preliminary threshold requirements of Ch. 4.12 of HB-1-3560; received by COB, May 19, 2006; contains all requirements of Attachment 4-D of HB-1-3560; and is for an eligible purpose). (Yes/No): _____ Comments: _____

Application scoring:

1. Leveraged assistance. (0-20 points) _____
 (Attach "Calculation of Leveraged Assistance Worksheet")
 2. High need community. The units will be developed in a colonia, tribal land, EZ, EC, or REAP zone, or in a place identified in the state Consolidated Plan or state needs assessment. (20 points) _____
 3. Donated land. The loan request includes donated land meeting the provisions of § 3560.56(c)(1)(iv). (5 points) _____
 4. National initiative. The loan request includes a State resource such as State funds, State RA, HOME funds, CDBG funds, or LIHTC; and Rural Development has a formal working relationship, agreement, or MOU with the State to provide such resources to Sec. 515 proposals or to give preference or points to Sec. 515 proposals in awarding such resources. (20 points) _____
- Total point score** _____

Estimated funding:

Sec. 515 loan amount \$ _____
 Leveraged funds: Source _____ \$ _____
 Source _____ \$ _____
 Source _____ \$ _____
 Source _____ \$ _____
 Total Development Cost: \$ _____

Review comments: _____

 Reviewer: _____ Date of Review: _____

National ranking results: Selected for further processing based on National ranking (Yes/No): _____ Date: _____

**SECTION 515
CALCULATION OF LEVERAGED ASSISTANCE WORKSHEET**

Applicant Name: _____ Project Name: _____

1. Borrower total development cost (TDC)		\$ _____															
2. Non-eligible costs such as audit reserve, developer's fee, organizational or accounting fees.		\$ _____															
3. Adjusted TDC (line 1 minus line 2)		\$ _____															
4. Multiply by percentage of units that will serve Sec. 515 income eligible tenants _____% =																	
5. Sec. 515 eligible TDC		\$ _____															
6. Applicant funds and leveraged assistance. Include all applicant funds and leveraged assistance such as loans, grants, land, tax abatements, etc., meeting the provisions of § 3560.56 and § 3560.66.																	
<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"><i>Source:</i></td> <td style="width: 20%;"></td> <td style="width: 40%;"><i>Amount:</i></td> </tr> <tr> <td>Sec. 515 loan requested*</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>			<i>Source:</i>		<i>Amount:</i>	Sec. 515 loan requested*	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
<i>Source:</i>		<i>Amount:</i>															
Sec. 515 loan requested*	_____	_____															
_____	_____	_____															
_____	_____	_____															
_____	_____	_____															
7. Total funds for TDC plus operating cost savings		\$ _____															
8. Minus ineligible costs from line 2 (\$ _____) =		\$ _____															
9. Multiply by percentage of units that will serve Sec. 515 income eligible tenants _____%		\$ _____															
10. Subtract Sec. 515 loan and required borrower contribution based on 95, 97 or 100 percent of Sec. 515 loan		\$ _____															
11. Leveraged assistance eligible for points		\$ _____															
12. Percentage of leveraged assistance (line 11 divided by line 5		_____%)															
13. Points for leveraging based on the following chart: (Round up for .50 and above; round down for .49 and below. For example, 59.49 becomes 59; 59.50 becomes 60.)		_____															

<i>Percentage:</i>	<i>Points:</i>	<i>Percentage:</i>	<i>Points:</i>
75 or more	20	35-39	12
70-74	19	30-34	11
65-69	18	25-29	10
60-64	17	20-24	9
55-59	16	15-19	8
50-54	15	10-14	7
45-49	14	5-9	6
40-44	13	0-4	0

Reviewer: _____ Date: _____

Can't exceed smaller of Sec. 515 eligible TDC or appraised value X 95, 97, or 102 percent, OR the \$1 million National cap. When the appraised value is established, it may be necessary to adjust the Sec. 515 loan.

**SECTION 515
CALCULATION OF LEVERAGED ASSISTANCE WORKSHEET**

Applicant Name: _____ Project Name: _____

1. Borrower total development cost (TDC)	\$ 2,500,000
2. Non-eligible costs such as audit reserve, developer's fee, organizational or accounting fees.	\$ 400,000
3. Adjusted TDC (line 1 minus line 2)	\$ 2,100,000
4. Multiply by percentage of units that will serve Sec. 515 income eligible tenants <u>100 %</u>	
5. Sec. 515 eligible TDC	\$ 2,100,000
6. Applicant funds and leveraged assistance. Include all applicant funds and leveraged assistance such as loans, grants, land, tax abatements, etc., meeting the provisions of § 3560.56 and § 3560.66.	
<i>Source:</i>	<i>Amount:</i>
Sec. 515 loan requested*	\$ 1,000,000
HOME loan	250,000
HOME grant	150,000
20-yr tax abatement	500,000
applicant funds/LIHTC	1,100,000
7. Total funds for TDC plus operating cost savings	\$ 3,000,000
8. Less ineligible costs from line 2 (\$400,000) =	\$ 2,600,000
9. Multiply by percentage of units that will serve Sec. 515 income eligible tenants <u>100 %</u>	\$ 2,600,000
10. Subtract Sec. 515 loan and required borrower contribution based on 95, 97 or 100 percent of Sec. 515 loan (1,000,000/.95)	\$ 1,052,632
11. Leveraged assistance eligible for points	\$ 1,547,368
12. Percentage of leveraged assistance (line 11 divided by line 5)	74 %
13. Points for leveraging based on the following chart: (Round up for .50 and above; round down for .49 and below. For example, 59.49 becomes 59; 59.50 becomes 60.)	19
<i>Percentage:</i>	<i>Points:</i>
75 or more	20
70-74	19
65-69	18
60-64	17
55-59	16
50-54	15
45-49	14
40-44	13
<i>Percentage:</i>	<i>Points:</i>
35-39	12
30-34	11
25-29	10
20-24	9
15-19	8
10-14	7
5-9	6
0-4	0

Reviewer: _____ Date: _____

Can't exceed smaller of Sec. 515 eligible TDC or appraised value X 95, 97, or 102 percent, OR the \$1 million National cap. When the appraised value is established, it may be necessary to adjust the Sec. 515 loan.

April 11, 2006

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Director

The following interest rates, effective May 1, 2006, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	4.720%	4.820%

The new rate shown above is as of the week ending March 31, 2006. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year Constant Maturity Treasury yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502		
Low or Moderate	5.750	5.750

EXPIRATION DATE:
May 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	6.250	6.250
Rural Housing Site (RH-524), Non-Self-Help	5.750	5.750
Rural Rental Housing and Rural Cooperative Housing	5.750	5.750

Please notify appropriate personnel of these rates.

(Signed by James C. Alsop) for

RUSSELL T. DAVIS
Administrator
Housing & Community Facilities Programs

Sent by Electronic Mail on 4/13/06 at 8:45a.m.by PAD.

April 12, 2006

TO: All State Directors Rural Development

ATTENTION: Rural Housing Program Directors

FROM: Russell T. Davis (*Signed by David J. Villano*) for
Administrator
Housing and Community Facilities Programs

SUBJECT: Countrywide Home Loans, Inc.
Address for Mailing Loan Note Guarantees

The purpose of this unnumbered letter is to inform all State Offices of the appropriate address for sending Form RD 1980 -17, "Loan Note Guarantee" to Countrywide Home Loans, Inc. Countrywide is a nationwide approved lender with dozens of branches across the country and with multiple locations entered in the Guaranteed Loan System (GLS).

Effective immediately, please mail all Section 502 Single Family Housing Loan Note Guarantees for Countrywide Home Loans to the following address:

Countrywide Home Loans
Attn: Bond Department: Post-Closing Services
1800 Tapo Canyon Rd.
STOP SV2-Bond PCS
Simi Valley, CA 93063

Please contact Melvin Carroll of my staff at (202) 720-1452 with any questions you may have. Thank you very much.

Expiration Date:
April 30, 2007

Filing Instructions
Housing Programs

April 13, 2006

SUBJECT: Enterprise Human Resources Integration

TO: Rural Development State Directors
Chief, Field Services Branch
Chief, Headquarters Personnel Services Branch

ATTN: Administrative Program Directors
Human Resources Managers

Enterprise Human Resources Integration (EHRI) is one of five Office of Personnel Management (OPM) led e-Government initiatives which will support human resources management across the Federal government at all levels. When fully implemented, EHRI will replace the current Official Personnel Folder (OPF) with an electronic employee record for all Executive Branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment.

Rural Development is working with the Department on this e-Government initiative. We are now beginning the process of transitioning to electronic Official Personnel Folders (e-OPFs). This will be done in two stages: Fast Track and Backfile Conversion.

Fast Track is the process of having all future Standard Form 50 (SF-50s), "Notification of Personnel Actions", sent electronically from the National Finance Center (NFC) to the e-OPFs. After Fast Track has been implemented, you will no longer receive SF-50s from NFC. To obtain or view an SF-50, you will have to go to the e-OPF. Training will be provided before implementation. We anticipate that this will be fully implemented on **August 1, 2006**.

Backfile Conversion is the process of having all hard copy OPFs scanned and integrated with the e-OPFs. All OPFs will be sent to the National Office who will then send the files to OPM's contractor for scanning. Once the items in the OPFs have been scanned, the OPFs will be sent to the National Archives and Records Administration. We anticipate a completion date of **September 30, 2007** for backfile conversion.

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

In order to have a smooth transition, many things need to be completed. Please start discussing this with the unions because we cannot delay the timelines. Each OPF should be reviewed according to the Guide to Personnel Recordkeeping to ensure that we have the appropriate documents within the OPF. This is essential because Rural Development will be paying \$0.33 per page that is scanned.

We will be sending out additional information as we receive it. If you have any questions, please contact Jennifer Chandler, Human Resources Specialist, on (202) 692-0174 or via e-mail at Jennifer.Chandler@wdc.usda.gov.

(Signed by John M. Purcell) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on April 17, 2006 at 7:30am by Human Resources.
State Directors should advise other personnel as appropriate.

April 14, 2006

SUBJECT: National Volunteer Week

TO: National Office Officials
Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

President Nixon signed an Executive Order in 1974 designating a National Volunteer Week. Since then, every President since has signed a proclamation supporting the recognition of persons who volunteer their time in support of those in need. President Bush will sign a proclamation of support for the thirty-third National Volunteer Week,

April 23-29, 2006. This year's theme is "Inspire by Example."

This would be a perfect opportunity to recognize Rural Development employees who volunteer their time and talent in support of their community in such programs as helping the homeless, the hungry, the elderly, at-risk youth and the disabled. Calling attention to their work will encourage them to continue, and will inspire others to volunteer.

The Points of Light Foundation and the Volunteer Center National Network are joint sponsors for National Volunteer Week. The 2006 National Volunteer Week toolkit is available at <http://www.pointsoflight.org/programs/seasons/nvw/>. The toolkit will help you to plan and publicize your recognition activities.

If you have any questions, please call Norma Valdes at (202) 692-0198 or by e-mail at norma.valdes@wdc.usda.gov.

(Signed by Thomas C. Dorr)

THOMAS C. DORR
Under Secretary
Rural Development

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on April 17, 2006 at 7:45 am by Human Resources. State Directors and National Office Officials should advise other personnel as appropriate

April 20, 2006

SUBJECT: Business Cards

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors

Due to the new marketing roll-out that introduced a new logo, the request for business cards has increased substantially. It is important to remember that State Offices and National Office Officials may print business cards for members of their staff as long as they utilize their own funds, utilize the template mentioned below, and ensure that business cards are necessary to support the agency's mission.

When ordering business cards, there is a standard template for business cards that must be followed. The template can be found at:
http://teamrd.usda.gov/rd/lapas/materials/businesscard%206_18_04.doc. All National Office business card orders must be sent through the Support Services Division for processing. You can speed up the process by providing a fully funded AD-700, "Procurement Request," and using the business card ordering form that has been designed by the Legislative and Public Affairs Staff. The order form can be found at:
http://teamrd.usda.gov/rd/lapas/materials/bcard_order%204_29_04.doc.

If you have any questions regarding the template, please contact the Legislative and Public Affairs Staff on 202-690-0489. If you have any questions regarding the actual ordering of the business cards, please contact the Support Services Division on 202-692-0010.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on April 24, 2006 at 10:00 a.m. by SSD.
State Directors and National Office Officials shall notify other personnel as appropriate.

April 20, 2006

SUBJECT: Re-allocated Full Time Equivalents

TO: Rural Development State Directors

ATTN: Administrative Program Directors

On October 4, 2005 a memorandum went out from my office requesting that Field re-allocated Full Time Equivalents (FTE's) not be filled. At that time, I asked you to pause in filling the re-allocated Full Time Equivalent (FTEs) provided at the beginning of fiscal year 2006. There is no longer a need to delay filling these positions and you may proceed with advertising and filling these positions to meet the needs within your state. As always, your FTE ceiling cannot be exceeded.

If you have any questions or concerns, please contact Norma Valdes, Human Resources Specialist, at 202-692-0198 or via e-mail at norma.valdes@wdc.usda.gov.

(Signed by Thomas C. Dorr)

THOMAS C. DORR
Under Secretary
Rural Development

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on April 20, 2006 at 9:55am by Human Resources. State Directors should advise other personnel as appropriate.

April 25, 2006

SUBJECT: Business and Industry Guaranteed and Direct Loan Program
Write-Down of Debt for an Existing Borrower

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The purpose of this memorandum is to clarify the Agency's policy regarding the write-down of debt for an existing borrower.

The Business and Industry (B&I) Guaranteed Loan Program regulations are silent on writing down a loan and allowing the same principals to remain in control of the operation of the business. On the other hand, the B&I Direct Loan Program regulations allow for the write-down of debt; however, the issue of leaving the same principals in charge is not covered. Nevertheless, the policy of not allowing the write-down of debt while leaving the same principals in charge applies to the B&I Direct Loan Program.

Hence, the Agency hereby iterates its policy of not allowing debt write-downs while leaving the same principals in charge of the business. This policy applies to both the B&I Guaranteed and Direct Loan Programs, and any exceptions to this policy will be made at the National Office. State Offices requesting an exception to this policy must submit the following to the National Office: State Director's recommendation and discussion of the request; lender's recommendation; Modification or Administrative Action form, RD Instruction 4287-B, Appendix A; borrower's latest financial statements; and any other documentation deemed appropriate to support the request.

The requirement to make quality, creditworthy loans is emphasized throughout the governing regulations and the Agency remains concerned that modifying this policy might encourage write-down requests. While we are obligated to recognize a bankruptcy court order where the judge has stipulated write-down as a requirement to make the business work while leaving the same principals in place, it is usually a write-down of many creditors.

EXPIRATION DATE:
April 30, 2007

FILING INSTRUCTIONS:
Community/Business Programs

Our policy, in the absence of a court order, helps to protect taxpayer dollars, promote the idea of commitment to the business by its principals, and reinforce the principle that loans must be repaid.

In the future, we intend to specifically state this policy in the published regulations.

If you have any questions on the information provided, please contact the B&I Division directly at (202) 690-4103.

(Signed by David Rouzer)

JACKIE J. GLEASON
Acting Administrator
Business and Cooperative Programs

April 25, 2006

SUBJECT: QuickHire Training

TO: Rural Development State Directors

ATTN: Administrative Program Directors
Human Resources Managers

On April 13, 2006, a memo was sent out advising you of the available QuickHire training dates. The schedule has changed for the upcoming training sessions. The training schedule is listed below.

July 11 - 14, 2006

July 25 - 28, 2006

August 8 - 11, 2006

August 29 - September 1, 2006

Salt Lake City, Utah

Washington, DC

St. Louis, Missouri

St. Louis Missouri

It is recommended that both the Human Resources Manager and the Human Resources Assistant attend because of the extensive training involved. Since each state is responsible for their travel expenses, it is recommended that you attend training in the closest location to your state.

Please contact Jennifer Chandler, Human Resources Specialist, by **May 5, 2006** to schedule your training. If you previously reserved a training date, you will need to reschedule based on the new dates and locations. If we do not hear from your state, we will schedule you for a training session.

EXPIRATION DATE:
September 30, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Scheduling will be done on a first-come first serve basis. Jennifer can be reached on (202) 692-0174 or via email at jennifer.chandler@wdc.usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on April 26, 2006 at 3:40 pm by Human Resources.
State Directors should advise other personnel as appropriate.